

ERAML/ANZEN/2023-24/58

December 13, 2023

BSE Limited P J Towers, Dalal Street, Fort, Mumbai – 400 001 Scrip Code: 974399, 974400	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Symbol: ANZEN
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Dear Sir/Madam,

Subject: Intimation under Regulation 23 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated July 06, 2023 (“InvIT Regulations”) and Regulation 51 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (“LODR Regulations”)

Pursuant to applicable provisions of the InvIT Regulations, LODR Regulations, SEBI Operational Circular dated April 13, 2022, and other applicable laws, regulations, circulars including the amendments made thereon, please note that the credit rating agency has affirmed the rating of Anzen India Energy Yield Plus Trust (“Anzen”) with respect to the Non – Convertible Debentures of Rs. 750 crore issued by Anzen on a private placement basis, as follows:

Name of Credit Rating Agency	Instrument	Rating	Outlook
India Ratings and Research Private Limited	Non-Convertible Debentures	IND AAA	Stable

We enclose credit rating letter issued by India Ratings and Research Private Limited for your information and record.

Kindly take the same on record.

Thanking you,

For ANZEN INDIA ENERGY YIELD PLUS TRUST
(acting through its Investment Manager Edelweiss Real Assets Managers Limited)


JALPA PAREKH
COMPANY SECRETARY & COMPLIANCE OFFICER
ACS 44507



CC:

Axis Trustee Services Limited Axis House, Bombay Dyeing Mills Compound Pandurang Budhkar Marg, Worli, Mumbai - 400 025	Catalyst Trusteeship Limited Windsor, 6th Floor, Office No - 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098
National Securities Depository Limited Trade World, A Wing, 4th Floor Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013	Central Depository Services (India) Limited Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013



Edelweiss Real Assets Managers Limited

Corporate Identity Number: U67110MH2021PLC362755

Registered Office: Plot 294/3, Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400 098

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Ms. Ranjita Deo
Chief Investment Officer
Edelweiss Real Assets Managers Limited – acting as the Investment Manager to Anzen India Energy Yield Plus Trust
294/3, Edelweiss House, Off CST Road,
Kalina, Santacruz East,
Mumbai City – 400098

December 13, 2023

Dear Sir/Madam,

Re: Rating Letter for NCD of ANZEN INDIA ENERGY YIELD PLUS TRUST

India Ratings and Research (Ind-Ra) has affirmed Anzen India Energy Yield Plus Trust's (AIEYP) non-convertible debentures (NCDs) as follows:

Instrument Type	Date of Issuance	Size of Issue (million)	Rating/Outlook	Rating Action
NCDs	1 December 2022	INR7,500.0	IND AAA/Stable	Affirmed

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the



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It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings



Abhishek Bhattacharya
Senior Director

Annexure: Facilities Breakup

NCDs:

ISIN	Series	Date of Allotment	Coupon Rate (%)	Redemption date	Size of Issue (million)	Rating
INE0MIZ07012	I	1 December 2022	8.01	1 December 2025	INR4,500	IND AAA/Stable
INE0MIZ07020	II	1 December 2022	8.34	1 December 2027	INR3,000	IND AAA/Stable



India Ratings Affirms Anzen India Energy Yield Plus Trust's NCDs at 'IND AAA'/Stable

Dec 13, 2023 | Power - Transmission

India Ratings and Research (Ind-Ra) has affirmed Anzen India Energy Yield Plus Trust's (AIEYP) non-convertible debentures (NCDs) as follows:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
NCDs	1 December 2022	-	-	INR7,500.0	IND AAA/Stable	Affirmed

Analytical Approach: AIEYP is an infrastructure trust (InvIT) sponsored by Sekura Energy Private Limited. The InvIT started its operations with the acquisition of two interstate transmission system (ISTS) assets - Darbhanga-Motihari Transmission Company Limited (DMTCL) and NRSS XXXI (B) Transmission Limited (NRSSTL). Ind-Ra has taken a consolidated view of the cash flows of both the transmission special purpose vehicles (SPVs) acquired by the InvIT from Edelweiss Infrastructure Yield Plus. AIEYP plans to add renewable or transmission assets in the InvIT in the near-to-medium term, and the same remain a key rating monitorable.

The debt raised at the InvIT level, along with proceeds from the investors has been utilised to pay off all the external debt in the two SPVs. The funds infused in SPVs is in the form of interest-bearing instruments. The cash flows from the SPVs will be pooled and up-streamed to the InvIT in the form of interest/repayment of the loan provided by the InvIT, and dividends, thereby ensuring complete consolidation of cash flows at the InvIT level for debt servicing. The rating reflects the combined credit quality of the underlying assets. This is not a rating of the units of InvIT, and should not be construed as a comment on the ability of the InvIT to meet distribution payouts to the unit holders.

The rating reflects the minimal revenue risk for the two transmission assets, the low counterparty risk based on the revenue-sharing mechanism applicable for interstate transmission assets, the sufficient operational track record and the fungible cash flows among the SPVs of the InvIT structure. As per the Securities and Exchange Board of India's InvIT norms, the InvIT will have to limit external debt to 49% of its assets under management until the first six distributions to unitholders are completed. Thereafter, the peak gearing would be limited to 70% of the assets under management in line with the InvIT regulations.

Key Rating Drivers

Strong Revenue Tie-up: The transmission assets have entered into transmission service agreements with its long-term transmission customers for a period of 35 years, with a residual tenor of about 29 years and fixed-yearly revenue, which is related to the assets maintaining a target availability of at least 98%. The availability levels of the two transmission projects have consistently been above this level, making them eligible to recover the full tariff as per the transmission service agreement, thereby indicating low volatility in cash flows.

Low Counterparty Risk: The two operational transmission assets benefit from the revenue pooling system, wherein revenue collected from the designated inter-state transmission system customers (DICs) are shared among all the inter-state transmission system (ISTS) assets in proportion to their annual transmission charges. Thus, any delays from DICs would impact all transmission operators. Central Transmission Utility, a subsidiary of Power Grid Corporation of India Limited, is the coordinating authority for implementing the regulations around transmission charges and losses. Revenue for an ISTS is received from all customers of ISTS assets and depends on factors such as the consumer's quantum of open access, i.e. the extent to which the ISTS is used by the consumer, and the direction of energy flow. Thus, for transmission projects, the revenue receipt is independent of the amount of energy passing through each transmission asset. The regulations provide for the denial of open access to a DIC and also for the diversion of power for sale in the short-term market to recover the transmission tariff. The collection ratio for ISTS was above 94% during FY13-FY23. Both the transmission projects i.e. DMTCL and NRSSTL, have been receiving payments within three-to-four months of raising the invoice in the past year on the basis of monthly declared availability.

Robust Debt Protection Features: The rated debt has been borrowed at the InvIT level for the acquisition of DMTCL and NRSSTL. The interest rate is fixed and payable quarterly. The NCDS have a bullet repayment at the end of the third and fifth year, which shall be refinanced at the time of redemption. The debt structure includes a number of debt protection features, including a cash trap when the accrual debt service coverage ratio (DSCR) breaches 1.15x, and the stipulation to create an upfront debt service reserve account (DSRA) equivalent to one quarter of debt servicing. The management plans to refinance the bullet debt well before maturity to address the refinancing risk.

Liquidity Indicator - Adequate: The project's liquidity is supported by a robust average DSCR of more than 1.20x over the debt tenor and regular revenue receipts for ISTS transmission assets. The coverages are resilient to moderate-to-strong amounts of stress applied on availability, operating costs, receivables and interest expenses.

Minimal Technology and Operating Risk: The useful life of a transmission asset is considered to be about 35 years by the Central Electricity Regulatory Commission. Furthermore, transmission lines have high reliability and low maintenance complexity, given the well-established technology and long design life of such assets. Ind-Ra takes comfort from the established technology and the demonstrated operational performance of the assets.

Future Acquisitions - Key Monitorable: Ind-Ra has considered the investment strategy shared by AIEYP, in addition to the two transmission assets acquired as part of the initial portfolio of InvIT. Subsequent additions will include only transmission and renewable assets, most of which would have central government counterparties. AIEYP has the right of first offer for Edelweiss Infrastructure Yield Plus's/Sekura Energy Private Limited's stake in 12 renewable assets, with total capacity of 813MW_{DC}. Ind-Ra will assess the acquisitions based on the impact of the same on the company's business risk profile and coverage ratios, and the suitability of debt structure, and this will be a key monitorable. Ind-Ra might also change the rating sensitivities suitably in the event of an acquisition.

Rating Sensitivities

Negative: The following developments, individually or collectively, could lead to a negative rating action:

- the project's availability reducing below 98% on a sustained basis,
- the collection efficiency falling below 90%, on a sustained basis in FY24 and beyond,
- a dip into the DSRA or any non-adherence to the debt terms,
- a significant adverse impact on the company's business or financial profile due to acquisitions.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on AIEYP, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click [here](#). For

answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

Company Profile

AIEYP was registered on 28 January 2022 as an infrastructure investment trust managed by Edelweiss Real Assets Managers Limited. AIEYP acquired DMTCL and NRSSBTL with a combined transmission network of 855 circuit km with two sub-stations. Subsequent additions will take place on the basis of evaluations by the investment manager. The transmission assets were transferred to the InvIT on 11 November 2022.

CONSOLIDATED FINANCIAL SUMMARY

Particulars (INR million)	FY23
Revenue from operations	936.7
Total revenue	999.2
EBITDA	852.3
EBITDA margin (%)	90.9
Finance cost	439.2
Interest coverage (EBITDA/interest) (x)	1.94
Cash and cash equivalents	241.5
Gross debt/EBITDA (x)	8.7
Source: AIEYP, Ind-Ra	

Non-Cooperation with previous rating agency

Not applicable

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook		
	Rating Type	Rated Limits (million)	Rating	14 December 2022	4 November 2022	7 July 2022
NCDs	Long-term	INR7,500	IND AAA/Stable	IND AAA/Stable	Provisional IND AAA/Stable	-
Proposed bank loan	Long-term	-	-	WD	Provisional IND AAA/Stable	Provisional IND AAA/Stable

Annexure

NCDs

ISIN	Series	Date of Allotment	Coupon Rate (%)	Redemption date	Size of Issue (million)
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INE0MIZ07012	I	1 December 2022	8.01	1 December 2025	INR4,500
INE0MIZ07020	II	1 December 2022	8.34	1 December 2027	INR3,000

Key Terms of the Rated NCDs:

Particulars	Terms
Instrument type	Secured, listed, rated, redeemable, NCDs
Debt amount	Series I debt securities: INR4,500 million Series II debt securities: INR3,000 million Total issue size of INR7,500 million
Tenor	Series I debt securities: 36 months from deemed date of allotment Series II debt securities: 60 months from deemed date of allotment
Repayment schedule	Bullet repayment at the end of the respective tenor maturity for Series I & II debt securities
Security	Project cash flows of SPVs
Waterfall mechanism	All free cash flows from the SPVs escrow shall be transferred to the trust escrow account. The monies in the InvIT escrow account shall be subject to the waterfall mechanism mentioned below: - revenue account - towards payment of any statutory dues/operations and maintenance expenses - debt servicing, both interest and instalment - DSRA maintenance (for shortfall, if any, post upfront creation of this account) - cash trap account - surplus to unit holders
DSRA	A DSRA equivalent to one quarter of interest obligations; not applicable for bullet repayment of principal amount
Cash trap	Cash trap mechanism will start once the trigger related to DSCR reduces below 1.15x
Source: Placement Memorandum, Ind-Ra	

The following assets are owned by the InvIT:

SPV	Project Type	Location	Commercial Operations Date	Offtaker
DMTCL	Transmission	Bihar	August 2017	DICs
NRSSL	Transmission	Punjab and Haryana	March 2017	DICs

Bank wise Facilities Details

[Click here to see the details](#)

Complexity Level of Instruments

Instrument Type	Complexity Indicator
NCDs	Low

For details on the complexity level of the instruments, please visit www.indiaratings.co.in/complexity-indicators.

Contact

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APPLICABLE CRITERIA

Rating Criteria for Infrastructure and Project Finance

Rating Criteria for Availability-Based Projects

Evaluating Corporate Governance

The Rating Process

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